



U.S. Department
of Transportation
**Maritime
Administration**

Administrator

1200 New Jersey Avenue, S.E.
Washington, DC 20590

June 13, 2011

Members of the Class of 2011
U.S. Merchant Marine Academy
Kings Point, NY 1 1024-1699

Re: U.S. Merchant Marine Academy Graduates' Service Obligation

Dear Midshipman:

Next week, you will be graduating and joining the distinguished ranks of Kings Point alumni. We proudly recognize you for your fine accomplishment.

As you begin your career, you must keep in mind that you are the recipient of a world-class education provided by the Federal Government. Therefore, it is important to review your service obligations.

Upon entering the Academy, you signed an agreement (the "Service Obligation Contract"), which is mandated by statute. In exchange for your education at Kings Point, you committed to fulfill certain maritime service obligations following graduation. This requirement is restated in the Maritime Administration's regulations and in the Service Obligation Contract.

Your service obligation covers four elements:

- employment,
- maintaining your U.S. Coast Guard (USCG) license,
- a commission in a reserve component in one of the U.S. armed services, and
- annually reporting your compliance.

Your obligation requires completion of every element listed above. Failure to comply with your service obligation may lead to induction into the U.S. armed forces, or repayment of the cost of your Academy education.

This letter provides some details on fulfilling your obligation in each of these categories.

(1) Employment: You must serve in the foreign or domestic commerce, or the national defense of the United States for at least five (5) years following graduation as: (A) a merchant marine officer in the U.S. flag fleet; (B) a commissioned officer on active duty in the armed services or National Oceanic and Atmospheric Administration (NOAA) Corps; (C) with the Federal Government in a maritime-related position that serves the national interests; or (D) in a U.S. maritime related industry, profession or marine science, if a determination has been made that no afloat officer positions in the U.S. flag fleet are available to you.

The primary objective of the United States Merchant Marine Academy (USMMA) is for you to obtain USCG-licensed employment afloat as an officer in the U.S. Merchant Marine. (For the purposes of this document, the "U.S. Merchant Marine" is defined to include service on any of the following vessels: deep sea; Military Sealift Command, coastal and inland carriers; tugs and towboats; passenger ships; offshore energy ships, platforms, and drilling units; and other U.S.-registered vessels, documented or undocumented.)

You may also accept positions as active duty commissioned officers in the U.S. Armed Forces or with the NOAA Corps. Kings Point graduates serve in all branches of the U.S. Armed Forces and this is an excellent way to fulfill your service obligations while contributing directly to the nation's security.

Only if you are unable to meet your service obligation as a U.S. merchant marine officer and if you are granted a waiver based on an appropriate determination, may you fulfill your obligation by service in Qualified Maritime Related employment on a foreign-flag vessel (as defined below) or otherwise by qualified work ashore. Satisfaction by employment ashore will be granted only in unusual cases.

(2) Maintaining your license: You must maintain a valid USCG Merchant Marine Credential (MMC) with a license endorsement and a Standards of Training, Certification and Watchkeeping (STCW) endorsement for six (6) years following graduation. You must renew or upgrade your MMC once, there is **no** grace period. All mariners are also required to hold a Transportation Worker Identification Credential (TWIC) in order for their license, MMC to remain valid. Failure to maintain a valid TWIC will mean you are NOT maintaining your license.

(3) Reserve Commission: If you are not on active duty, you must apply for and accept, if tendered, an appointment as a commissioned officer in the reserves of the Armed Forces of the United States. The Maritime Administration obligation requires maintaining your commission for at least six (6) years after graduation. Graduates are also strongly encouraged to join a reserve component of any of the armed services as a Selective Reservist (SELRES). If you have selected to become a Strategic Sealift Officer in the Strategic Sealift Program (formerly the Merchant Marine Reserve Program), the Navy's Military Sealift Command is the Program Manager.

If you have elected to request a recall to active duty in one of the Armed Forces and your request is approved, your service on active duty will satisfy this requirement as well as

the employment requirement described above. Five years honorable active duty service satisfies all service obligations. You are still required to report annually.

(4) Reporting Your Compliance: Once you graduate, you will need to follow the procedures from both the Maritime Administration (acting through the USMMA) and the DoD to report compliance with both the Maritime and Military Service Obligations.

(a) Maritime Service Obligation: Graduates are required to submit their maritime service obligation annually. Each report shall demonstrate that all elements of your maritime service obligation have been satisfied for the reporting period. Reports shall be filed between January 1st and March 1st of each year, (example as follows):

For graduates between 06/20/11 – 12/31/11: submit first annual report between 01/01/2012 and 03/1/2012; and between January 1st and March 1st every year thereafter until all service obligations are fulfilled.

You are required to report compliance using the web-based "Maritime Service Compliance System" (MSCS) at <https://inacs.marad.dot.gov>. Should you require technical assistance, you may contact MARAD at maritime.graduate@dot.gov.

In the event you are unable to access the website, you may submit a scanned copy of your report (including signature) via email to: serviceobligation@usmma.edu.

(b) Military Reserve Service Obligation:

The Merchant Marine Program Office is at the following address:

Commander, Naval Reserve Forces Command
Merchant Marine Program Office (CNRFC N14)
1915 Forrestal Drive NH-32
Norfolk, VA 23551
<https://navyreserve.navy.mil>
mmr_program_office@navy.mil

Employment Other Than as a USCG-Licensed Officer in the U.S. Merchant Marine or the U.S. Armed Forces or NOAA Corps.

You need not notify the USMMA prior to accepting USCG-licensed employment afloat in the U.S. Merchant Marine (see definition above), or accepting an active-duty commission as an officer in the U.S. Armed Forces, or with the NOAA Corps. In all other cases, you will need to submit a determination application.

From the information currently available to the Maritime Administration, I expect that there will be opportunities for afloat employment in the U.S. Merchant Marine upon your graduation from the USMMA. Consequently, a determination that qualified afloat employment is not available will only be made where there is a clear showing that you have been reasonably unable to obtain afloat employment. You must work with the

USMMA Compliance Officer in the Department of Professional Development and Career Services (DPDCS) via email at serviceobligation@usmma.edu to request a determination for any employment other than as a seagoing licensed officer in the U.S. Merchant Marine, U.S. Armed Forces, or NOAA Corps.

The determination application requires that you provide information concerning your efforts to seek qualified afloat employment. You are also required to provide the following information on the employment offer you wish to accept: the title of your prospective job; a description of your prospective duties; a written job offer from your prospective employer; whether your prospective employer is a federal, state or private entity; and how the position is significantly maritime-related. Based on your submission, the USMMA DPDCS will make a determination if it fits one of these categories:

a. Seagoing Employment on a Foreign Vessel or as an Unlicensed Person on a U.S. Vessel: You may satisfy your employment obligation if you obtain Qualified Maritime Employment on a vessel not registered in the United States or any U.S. registered vessel, whether documented or undocumented with the U.S. Coast Guard. Whether such employment constitutes Qualified Maritime Employment requires a determination by the Maritime Administration. Without a determination, such service does not satisfy your service obligation. "Qualified Maritime Employment" is employment in the navigation or engineering departments (or their functional equivalents aboard vessels without deck and engineering departments). Only licensed or unlicensed vessel operating positions can serve as Qualified Maritime Employment, i.e., mate, engineer, wiper, able-bodied or ordinary seaman, etc.

b. Employment with the Federal Government and the Required Determination: You may accept maritime-related employment with the Federal Government if that employment serves the national security interests of the United States. Whether such employment qualifies to satisfy your employment obligation requires a determination by the Maritime Administration. To qualify, such employment must be significantly maritime-related and serve the national security interests of the United States.

c. Employment Ashore and the Requirement of a Determination of No Afloat Positions: You may satisfy your employment obligation if you obtain employment in a United States maritime-related industry, profession, or marine science. The employment described in this paragraph will satisfy your employment service obligation only if the Maritime Administration has determined that Qualified Maritime Employment afloat is not available to you. Without such a determination, acceptance of any ashore employment will not satisfy your service obligation and may constitute a default under the terms of your Service Obligation Contract.

Acceptable maritime-related shoreside employment means a job or position that is significantly maritime-related. Qualifying maritime-related civilian positions may be considered in private industry, such as deep sea steamship companies, stevedoring companies, vessel chartering and operations, cargo terminal operations, naval architecture firms, shipbuilding and repair companies, state agencies involved in maritime affairs, municipal and state port authorities, port development and marine engineering firms,

offshore energy companies, and inland or coastal tug and towing companies. If the Academy recommends determination approval, your request will be sent to the Maritime Administration in Washington, D.C. for final action. If disapproved, you will be notified along with the reason. You have a right to appeal all disapprovals to the Maritime Administrator. All decisions by the Maritime Administrator are final.

If a determination is approved by the Maritime Administration, you will receive a determination letter agreement that must be signed by you and returned to the Maritime Administration before it will be effective. The determination letter agreement will indicate the duration for which it is valid and will provide other terms and conditions including your obligation to request a renewal of the determination approval under certain circumstances.

If you remain in the same position with the same employer, you will need to certify this fact in your annual maritime service obligation compliance report to the Compliance Officer, USMMA DPDCS to obtain a renewal of your determination for another year. If you change positions with your existing employer, you will need to certify this fact and provide additional information to: Compliance Officer, USMMA DPDCS demonstrating that your position continues to be significantly maritime-related. If you change employers, you will need to seek an entirely new determination prior to accepting new employment.

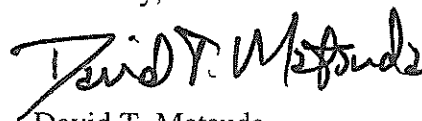
Individuals who have difficulty obtaining Qualified Maritime Employment or who have questions regarding compliance with their Service Obligation Contracts may obtain continued assistance by contacting the Compliance Officer, USMMA DPDCS.

In ensuring fulfillment of the mission of the US Merchant Marine Academy, the Maritime Administration takes your service obligation seriously, and so should you. MARAD has pursued legal action against graduates who failed to meet their service obligations in order to recoup the cost of their education.

Failure to comply with all of your statutory obligations may result in your involuntary recall to active duty, in one of the Armed services of the United States, as determined by the Secretary of Defense, or a requirement to repay the Federal Government for the cost of your education.

The United States Merchant Marine Academy has a long tradition of producing maritime leaders and you can be proud that you will soon be joining our alumni family. I look forward to having you join the maritime industry and Armed Forces of our Nation. Congratulations and best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "David T. Matsuda". The signature is fluid and cursive, with the first name "David" being the most prominent.

David T. Matsuda
Maritime Administrator